

**STATE OF ARKANSAS**

**OFFICE OF STATE PROCUREMENT**

**REQUEST FOR PROPOSAL NO. 02-0043**

**PURCHASING CARD SERVICES**

**Issue Date August 16, 2001**

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**State of Arkansas**  
**OFFICE OF STATE PROCUREMENT**  
**1509 WEST Seventh Street, Room 300, 72201-3966**  
**P. O. Box 2940 72203-2940**  
**Little Rock, Arkansas**

**INVITATION FOR BID**  
**SIGNATURE PAGE**

Bid Number: RFP No 02-0043

Buyer: Gerald Congleton

Commodity: Purchasing Card Services

Bid Opening Date: October 16, 2001

Date: August 17, 2001

Bid Opening Time: 2:30 P.M. CST

**BIDS WILL BE ACCEPTED UNTIL THE TIME AND DATE SPECIFIED ABOVE. THE BID PACKAGE AND ENVELOPE MUST BE SEALED AND PROPERLY MARKED WITH THE BID NUMBER, DATE AND HOUR OF BID OPENING AND BIDDER'S RETURN ADDRESS. IT IS NOT NECESSARY TO RETURN "NO BIDS" TO THE OFFICE OF STATE PROCUREMENT.**

**MAILING ADDRESS:**

Office of State Procurement  
P. O. Box 2940  
Little Rock, AR 72203-2940

**BID OPENING LOCATION:**

Office of State Procurement  
1509 West Seventh Street, Room 300  
Little Rock, AR 72201-3966

Office of State Procurement  
1509 West Seventh Street, Room 300  
Little Rock, AR 72201-3966

**TELEPHONE NUMBER(S)****OFFICE:** 501-324-9316**BUYER:** 501-371-6054

Buyer's E-Mail Address: gerald.congleton@dfa.state.ar.us

Company Name: \_\_\_\_\_

Name (Type or Print) \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_

Telephone Number: \_\_\_\_\_

Fax Number: \_\_\_\_\_

E-Mail Address: \_\_\_\_\_

**FAILURE TO PROVIDE A TAXPAYER IDENTIFICATION NUMBER MAY RESULT IN BID REJECTION:**\_\_\_\_\_  
Federal Employer Identification Number or Social Security Number**THE BID MUST BE SIGNED IN INK.****UNSIGNED BIDS WILL NOT BE CONSIDERED.**

Signature: \_\_\_\_\_

**Business Designation** (Check One)☐ Public Service Corporation☐ Government/Nonprofit☐ Individual☐ Partnership☐ Sole Proprietorship☐ Corporation

## SECTION ONE GENERAL INFORMATION

**1.1 Scope of Proposal:** The Arkansas Department of Finance and Administration (DFA), Office of State Procurement (OSP) acting on behalf of all state agencies, institutions of higher education, political subdivisions, and related public entities in the State of Arkansas, and as part of the ongoing efforts to improve the performance of the state's procurement program seeks the assistance of a contractor to provide Purchasing Card Services for the Arkansas Purchasing Card Services Program. The Program will consist of design, implementation, monitoring, and evaluation of a statewide purchasing card system program. Services arising from this Request for Proposal (RFP) may include purchasing and accounting implementation, card provision, initial and ongoing training, ongoing customer service and monthly billing and reporting.

The primary objective for implementing a purchasing card program is to make purchasing and accounting processes more efficient by: a) eliminating manual steps and costly paperwork currently required; b) enhancing the reporting of purchase data; c) reducing the number of checks/warrants produced; and d) providing payment to merchants on a more timely basis.

It is the intent of OSP through this RFP to solicit proposals for the purposes of establishing a contract to provide these purchasing card services for the procurement of and payment for material, equipment, supplies and services utilized by State of Arkansas entities (state departments, institutions of higher education, agencies, boards and commissions, Officers of the State, eligible political subdivisions, and other public participating entities) in accordance with the requirements stated herein.

The Program intends to pilot test the purchasing card program with no more than twelve agencies for a period of approximately three (3) months to determine whether the program is functioning properly through the state entity's purchasing, payment and accounting systems, after which if the program is functioning in a manner acceptable to the OSP and the Contractor the program will be implemented statewide. The time required for the pilot program is included in the time frame of the contract. The State would like to achieve this objective with paying no fees or with very low cost and have the potential for revenue sharing.

In addition, this RFP is intended to lead to a contract with a qualified Offeror to provide the following services:

- Develop a user-friendly and flexible program that simplifies the purchasing process (buying and reporting) and eliminates activities that add to the cost of goods and services purchased by each participating entity
- Help establish internal controls over the purchasing card process
- Establish a procurement process and payment system that provides adequate internal controls to allow payment to be made in the shortest time possible, consistent with good cash management practices
- Develop procedures for the use of the purchasing card
- Provide a strategic management information tool
- Provide guidance to establish an internal reporting system for the purchasing card
- Assist in integrating purchasing card information with all existing procurement and/or accounting systems
- Provide ongoing training and assistance on the use of purchasing cards and reports
- Interface effectively with all current accounting programs

**1.2 Laws:** The selected Offeror shall agree to abide by all governing laws, ordinances, regulations, and policies for each participating entity in the State of Arkansas. Although not to be considered all inclusive the list includes, the General Accounting and Budgetary Procedures Law, Ark. Code Ann. § 19-4-101 et seq., and the Arkansas Procurement Law, Ark. Code Ann. § 19-11-201 et seq. and Regulations, Arkansas Ethics in Public Contracting Laws, Ark. Code Ann. §19-11-701 et seq.,

Procurement of Professional Services, Ark Code Ann. § 19-11-801 et seq., County Purchasing, 14-22-101 et seq. and all applicable laws. The enactment of any state or federal statute or the promulgation of regulations thereunder after execution of this contract may be reviewed by the State and the Contractor to determine whether the provisions of the contract require formal modification. Each participating entity shall abide by all laws, etc. If Laws are changed by any means to make this RFP, any Contract or part of the Contract resulting from this RFP not viable, the State and each participating entity and Contractor will be held harmless.

**1.3 Choice of Law and Forum:** This RFP and any resulting contract shall be governed by and construed in accordance with the laws of the State of Arkansas. Any proceeding related to any cause of action of any nature arising from or related to this RFP or contract may be brought only before the appropriate forum in Arkansas. This provision shall not be construed to waive sovereign immunity under Article 5, Section 20 of the Arkansas Constitution or other applicable laws, but giving effect to federal laws applicable to national banks.

**1.4 Terms and Conditions:** The Standard Terms and Conditions for any bid proposal issued by the Office of State Procurement have been included in this Request for Proposals. Any Terms and Conditions that are not Standard Terms and Conditions shall be called Special Terms and Conditions and shall take precedence over Standard Terms and Conditions. Any Standard Terms and Conditions determined not to be applicable to any Contract resulting from the RFP will not be enforceable.

**1.5 Voluntary Participation:** Participation by any entity will be voluntary. The successful Offeror will have to work with each to promote and implement the program. In addition to the state purchasing card policy and procedures, each participating entity may establish internal policies and procedures for purchase card use. These rules must be consistent with State laws, regulations, policies and procedures and accepted by the State. By reference, the State Purchasing Card Policy and Procedures as developed and approved by the Purchasing Card Committee will be incorporated into any contract resulting from this RFP. (See Attachments C, D, E).

**1.6 Term of Contract:** The initial term of any contract resulting from this RFP shall begin on the date of Award/Contract by the State and continue for a period of five (5) years. Upon mutual agreement, the contract may be renewed, or negotiated for an additional two (2) year period. Such agreements shall be exercised in writing. The Written Agreement shall be executed no less than 60 days prior to the expiration of the current Contract. If no extension is agreed to, the Contract is terminated. The Contract shall not exceed seven years.

**1.7 Type of Contract:** The Contract will be a revenue-generating contract. Contractor will make the check out to "The State Of Arkansas" and issue the check to The Director of the Office of State Procurement, Arkansas Department of Finance and Administration. The check to be issued within thirty (30) days following the end of each 12-month period for the "Rebate" due the State as computed from the Rebate scheduled in the RFP/Contract.

**1.8 Point of Contact:** This Request for Proposals (RFP) is issued by the State of Arkansas, Department of Finance and Administration (DFA) Office of State Procurement (OSP), which is the sole point of contact for the State during the RFP process. Communication between Offerors and OSP will be in writing by mail, fax or e-mail. All questions concerning the RFP should reference the RFP section and page number. All questions must be submitted no later than. The Director of Office of State Procurement or his designee will administer any contract resulting from this RFP. Questions concerning this RFP should be addressed to:

Mr. Gerald Congleton  
Office of State Procurement  
P.O. Box 2940  
Little Rock, AR 72203-2940  
Office Phone 501.324.9316  
Buyer Phone 501.371.6054

Fax 501.324.9311 for the Office  
Fax 501.324.9361 (Bid Room – a secured site)  
E-mail: gerald.congleton@dfa.state.ar.us

Inquiries may be referred by OSP to other state employees for detailed answers or clarifications. Inquiries shall be in writing and will be responded to in writing. Oral communications shall not be binding on the State or (Office of State Procurement) and shall not modify the terms, conditions, or specifications of this RFP or relieve the Contractor of any obligations under any contract resulting from this RFP. Offerors shall raise questions they have concerning the RFP document, prior to deadline to submit written questions as stated in this section of the RFP. In the event that it becomes necessary to provide additional clarifying data or information, or to revise any part of this RFP, revisions, amendments and/or supplements will be provided to qualified recipients of this RFP.

**THIS RFP MAY BE MODIFIED ONLY BE AMENDMENTS WRITTEN AND AUTHORIZED BY THE OFFICE OF STATE PROCUREMENT**

**1.9 Alteration of Original RFQ/RFP Documents:** The original written or electronic language of the RFQ/RFP shall not be changed or altered except by approved written addendum issued by the Office of State Procurement. This does not eliminate an Offeror from taking exception(s) to these documents, but does clarify that the Offeror cannot change the original document's written or electronic language. If the Offeror wishes to make exception(s) to any of the original language, it must be submitted by the Offeror in separate written or electronic, language in a manner that clearly explains the exception(s). If Offeror's/Contractor's submittal is discovered to contain alterations/changes to the original written or electronic documents, the Offeror's response may be declared, as "non-responsible" and the response shall not be considered.

**1.10 Acceptance and Rejection of Proposals:** The reasons for rejection of proposals include but shall not be limited to: The State reserves the right to accept or reject all or any part of a proposal or any and all Proposals, to waive or permit cure of minor irregularities/technicalities, and to conduct discussions with all qualified or potentially qualified Offerors in any manner necessary to serve the best interest of the State and to award a Contract. The Office of State Procurement (State) may, in its sole discretion, award a contract based upon the written proposals received without prior discussions or negotiations. Failure of Offeror to follow proposal's requirements and submission instructions may be cause for disqualification as well as a proposal which does not conform to the specifications or imposes conditions that modify the terms, and conditions of the RFP, or contain misleading statements. Proposals received from Offeror determined to be no responsible bidders shall be rejected.

**1.11 Ownership of Documents and Materials** All documents, records, program, data, film, tape, articles, memos, and other materials developed under any contract resulting from this RFP shall be considered "Work for Hire" and the Contractor transfers any ownership claim to the State of Arkansas (Office of State Procurement) and all such material will be the property of the State of Arkansas. Use of these materials, other than related to contract performance by the Contractor, without the prior written consent of the State (SOP), is prohibited. During the performance of the services specified herein, the Contractor shall be responsible for any loss or damage to these materials developed for or supplied by the State and used to develop or assist in the services provided herein while the materials are in the possession of the Contractor. Any losses or damage thereto shall be restored at the Contractor's expense. Full, immediate, and unrestricted access to the work product of the Contractor during the term of this Contract shall be available to the State.

**1.12 Anticipated RFP Events Timetable:** The key dates and events for the Request for Proposal are stated in Attachment F.

**1.13 Taxes** State of Arkansas entities are not exempt from sales and use tax. Merchants shall charge taxes at the point-of sale for the merchandise and remit to the applicable state taxing authorities. Some commodities the state entities purchase are exempt from sales tax. The merchant and participating entity will address this at the time of purchase. Each participating



entity, merchant and contractor shall be current and continue to be current in all tax reporting and payments to the State of Arkansas.

**1.14 Cooperative Purchasing:** Arkansas State Procurement Law provides that local public procurement units (counties, municipalities, school districts, certain nonprofit corporations, etc.) may participate in state purchasing contracts. Contractor agrees to provide services to Cooperative Purchasing Program participants. Unless otherwise stated, all standard and special terms and conditions listed within the RFP must be equally applied to such participating local procurement units pursuant to Ark Code Ann §19-11-206 and Ark Code Ann §19-11-249.

No Cooperative Purchasing Group (CPG) shall participate in any Contract as the result of this RFP unless such entity meets the credit requirements and signed agreement requirements of the Contractor and Office of State Procurement. The State does not assume any liability of the Cooperative Purchasing Group (CPG). If any entity is refused participation under the Contract, the Office of State Procurement requests acknowledgement of such action. The Contractor is requested to include the aggregate sales volume generated by the Cooperative Purchasing Group in the overall rebate calculation paid to the State. If there are any charges for this requirement show the charges and explain the charges. (See attachment E)

**1.15 Volume:** The total quantity of services required on the Contract is not known. The Program expects to begin with a Pilot Program, which, if proven successful, will expand to include all state agencies, political subdivisions and related public entities of Arkansas. If the Program is implemented statewide, it could involve more than 100 agencies, each with multiple accounts and users. The information here is a projected number. During the implementation phase of the Purchasing Card Program, with training, and assistance from the Offeror, volume is estimated to average \$600,000 per year Pilot Months and First Year (18 months). The number is expected to increase to about \$18,000,000 at the end of 36 months, by the end of 48 months the estimated contract should total \$72,000,000, and by the end of 60 months the contract is estimated to total \$84,000,000. The anticipated cumulative annual value of the contract is \$100,000,000 to \$125,000,000. This number is derived from a review of selected expenditure codes for FY 99 / 00. The quantity estimated for this contract may be adjusted during the contract period. **These volumes are estimates only; award of a contract is not a guarantee of receiving any business from the State.** The State and each participating entity shall work to make this contract profitable for all parties. If the State or any participating entity causes the Contract or part of the Contract resulting from this RFP not viable, the State and each participating entity and Contractor will be held harmless.

**1.16 Number of Cards:** The total quantity of purchasing cards that will be issued is not known. It is anticipated that card issuance will vary among eligible entities and it is difficult at this time to estimate the number of participating entities. The state anticipates the Pilot Program to generate the use of about 200 to 400 cards and a statewide roll out number between 3,000 to 6,000 cards. These numbers are estimates only. There is no guarantee of any number of cards.

**1.17 Transactions:** The total number of transaction for the State is difficult to forecast. With the annual volume anticipated to be about \$100,000,000, the annual transaction number is anticipated to be about 400,000 transactions. **These volumes are estimates only; award of a contract is not a guarantee of receiving any business from the State**

**1.18. TERMINATION and TRANSITION OF CONTRACT:**

**1.18.1 Termination of Contract by the State:** The State reserves the right to terminate in whole or in part any contract resulting from this RFP, with cause, upon sixty (60) calendar days written notice to the Contractor. Upon termination the State may exercise the procedures in **Section 1.12.6 Transition Period.**

**1.18.1.A Causes for Termination by the State:** The following are some causes: The Purchasing Card Administrator determines that the Contractor (or its Subcontractors) has failed to satisfactorily perform its contractual duties and responsibilities;

substantial changes in the personnel directly responsible for performing the tasks of the contract; insolvency (however evidenced); if any authorized audit finds the program is ineffective, not cost effective, or a violation of state laws, etc., and it is determined that gratuities of any kind were offered to or received by any officials or employees of the State from any officials, agents, or employees of the Contractor. If the Contractor has given falsified information or tampered with the RFP or Contract. This list is not to be interpreted as all-inclusive.

**1.18.2 Termination for Convenience by the State:** The State may also terminate any Contract resulting from this RFP for convenience (wherever the State shall determine that such termination is in the best interest of the State) by providing sixty- (60) calendar days written notice to the Contractor. Contractor shall be entitled to payment for any charges incurred by the participating entity through the date of the notice of termination (not the date of termination) to the extent that any particular participating entity has funds available to make payment.

**1.18.3 Default and Remedies:** Non-performance by the Contractor of any requirements or conditions of any contract resulting from this RFP shall constitute default. Upon default the State shall issue a written notice of default to the Contractor. The Contractor has thirty (30) calendar days to cure said default. If the Contractor remains in default during the second thirty (30) calendar days, or if the default is repeated during the term of the contract or any renewal thereof, the State may, in its sole discretion, decide to terminate the contract(s) or remaining portions thereof and exercise any remedy provided by law.

**1.18.4 Lack of Funds:** Pursuant to Ark. Code § 19-11-238 OSP shall terminate any Contract resulting from this RFP at the end of any biennial period when funds have not been appropriated or are otherwise unavailable to continue the Arkansas Department of Finance and Administration, Office of State Purchasing, Purchasing Card Program in the following biennial period. OSP shall provide the Contractor written notice that the contract shall terminate in ninety (90) calendar days or at the beginning of the next biennial period, whichever comes first. Each participating entity shall notify the Contractor and OSP immediately, in writing, in the event that the governing body responsible for such appropriations fails to make the necessary appropriation(s). OSP may cancel or curtail this Contract to the extent funds are no longer legally available for expenditures under this contract. OSP shall notify the Contractor by providing written notice. The State shall honor outstanding Purchasing Card purchases completed and approved prior to the termination of the Contract and for services rendered including fees or obligations agreed to before the termination of the Contract. If the Contractor has provided services and there are no longer funds procedurally or legally available to pay for the services, the Contractor may file a claim with the Arkansas Claims Commission.

**1.18.5 Termination of Contract by the Contractor:** Any Contract resulting from this RFP may be terminated in whole or in part, with cause, upon sixty (60)-calendar days written notice to the Office of State Procurement. Upon termination the State may exercise the procedures in **Section 1.18.6 Transitions Period.**

**1.18.5.A Causes for Termination by Contractor:** The following are some causes: The State of Arkansas and/or participating entity not adhering to a provision of the Contract. The State and/or other participating entities fail to pay as required under this Contract. This list is not to be interpreted as all-inclusive.

**1.18.6 Transitions Period:** Should the current contract not be renewed, or terminated for any reason before the end of the contract period, the current Contractor shall extend purchasing card services for a period of one hundred and twenty (120) calendar days or such time as services from the new Contractor are effective and implemented by the Office of State Procurement. The State expects this not to exceed 180 calendar days. The current Contractor shall cooperate fully during the transition period and shall provide the appropriate information i.e. (historical account data card holder, entity names and addresses for billing, mailing, reports, etc.) in a format specified by the State. All fees and costs during such extension shall remain

the same as that in effect during the most recent term. If Offeror charges for such transition assistance it shall be noted in the proposal and if the cost to bill the State is known such should be noted in the cost proposal. Contractors will provide monthly reports on the progress of implementation of their program to the Office of State Procurement.

- 1.18.7 Contractor's Rights After Termination:** In the event the Contract is not renewed or is terminated for any reason, Contractor shall retain rights of ownership in materials provided to the State and any participating entity. The Office of State Procurement and the Contractor shall agree to what is the property of the Contractor. However, the State may use those materials during **Transitions Period**. The State shall pay for all services rendered prior to the termination of the Contract. Contractor shall be entitled to payment for any charges incurred by any participating entity through the date of the notice of termination to the extent that any participating entity has funds available to make payment. However, the Contractor shall not be reimbursed for any anticipatory profits, which have not been earned up to the date of termination.
- 1.18.8 State's Rights After Termination:** In the event a contract is not renewed or is terminated for any reason, the Office of State Procurement may also procure, upon such terms and conditions, as OSP deems appropriate, supplies or services similar to those terminated. Under these circumstances, the Contractor will be liable to the State for any excess cost for such similar supplies or services. In addition, the Contractor will also be liable to the State for administrative costs incurred by the State procuring such similar supplies or services.
- 1.18.9 State's Obligations After Termination:** In the event the Contract is not renewed or is terminated for any reason, The State and all participating entities shall return all properties owned by the Contractor. Each participating entity shall return all of the software owned by the Contractor to the Contractor. Each participating entity shall destroy, or instruct all cardholders to destroy, all cards. All materials furnished by the Contractor marked "proprietary" shall be returned to the Contractor
- 1.19 Records:** All records are the property of the State. If a Contract resulting from this RFP is not renewed or is terminated for any reason the Contractor shall deliver to the State such records, documents, accounts, files, and other materials developed hereunder by the Contractor on behalf of the State.
- 1.20 Severability:** The finding or determination that any part or parts of this Contract are void, invalid or voidable shall result in only that part or parts being stricken, with the remainder to continue in full force and effect.
- 1.21 Minority Business Policy:** It is the policy of the State of Arkansas that minority business enterprises shall have the maximum opportunity to participate in the state procurement process. Therefore, the State of Arkansas encourages all minority business to compete for, win and receive contracts for goods, and services. The State also encourages all companies to subcontract portions of any contract to minority business enterprises.
- 1.22 Contract Disclosure:** The successful Offeror will be required to complete forms associated with the Governor's Executive Order 98-04 before award of a contract. Information on Governor's Executive Order 98-04 can be found on the following web site: <http://www.state.ar.us/dfa/accounting> For your information "Attachment A" is a copy of the Executive Order. Failure to make any disclosure required by Governor's Executive Order 98-04, or any violation of any rule, regulation, or policy adopted pursuant to that order, shall be a material breach of the terms of this contract. Any contractor, whether an individual or entity, who fails to make the required disclosure or who violates any rule, regulation, or policy shall be subject to all legal sanctions available to the agency.
- 1.23 Force Majeure:** Notwithstanding any other provision of any Contract resulting from the RFP, the Contractor shall not be assessed damages during any delay in the performance of its

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obligation hereunder caused by events beyond the reasonable control of the Contractor, including without limitation, acts of God, fires caused by an unrelated third party, earthquakes, epidemics and quarantine restrictions, labor strikes, supplier's or vendor strikes, freight embargoes and severe weather conditions, regulator action or inaction, provided that events are not the result of the Contractor's material fault or negligence. The Contractor shall make reasonable efforts to mitigate the effects of said causes.

**1.24 Indemnification:** The Contractor, on any contract resulting from this RFP, shall agree to indemnify and save the State and its participating entity harmless from:

- Any claims or losses resulting from services rendered by any subcontractor, person, or firm, performing or supplying services, materials, or supplies in connection with the performance of the Contract;
- Any claims or losses to any person or firm injured or damaged by erroneous or negligent acts, including without limitation disregard of Federal or State regulations or Codes, of the Contractor, its officers, employees, or subcontractors in the performance of the Contract;
- Any claims or losses to any person or firm injured or damaged by the Contractor, its officers, employees, or subcontractors by the publication, translation, reproduction, delivery, performance, use, or disposition of any data processed under the Contract in a manner not authorized by the Contract, or by Federal or State regulations or Codes;
- Any failure of the Contractor, its officers, employees, or subcontractors to observe Arkansas Laws, including but not limited to labor laws and minimum wage laws;

**1.25 Sub-Contractors:** The Contractor shall be fully responsible for all work performed under any contract resulting from this RFP. The Offeror shall describe who will be, if any, subcontractor(s) for this Contract. No subcontract, which the contractor entered into with respect to performance under this Contract, shall in any way relieve the Contractor of any responsibility for the performance of its duties under the terms of this Contract. The Contractor shall notify OSP in writing of any changes in subcontracting and, name any affiliate or subsidiary working on this contract. If there any changes in affiliate or subsidiary, Contractor shall submit written notification to the Office of State Procurement of the changes in.

## SECTION TWO PREPARING AND SUBMITTING A PROPOSAL

**2.1 General Instructions:** All submitted proposals will become the property of the Office of State Procurement. OSP will comply with the Arkansas Freedom of Information Act to maintain proposals in confidence and will release the proposals only to personnel involved with the evaluation of the program. The evaluation of the proposal and selection of a Contractor shall be based on information submitted in the Offeror's proposal, and attachments, and that information obtained from, references and any required on-site visits, oral presentations, or demonstrations.

**2.2 Intention to Bid:** In order to compete in this RFP, Offerors are requested to Fax or E-Mail Gerald Congleton, Office of State Procurement, no later than 4:30 PM Central Daylight Standard Time, **August 28, 2001**, their intention to submit a proposal or not. Use Attachment G for FAX response FAX # (501) 624-9361 or E-Mail address: [gerald.congleton@dfa.state.ar.us](mailto:gerald.congleton@dfa.state.ar.us). Only those who respond will receive additional information, if required.

**2.3 Pre-proposal Conference:** A pre-proposal conference will be held on **Friday, September 7, 2001** beginning at 9:30 a.m. in the DFA Conference Room, (First Floor).

Attendance at the pre-proposal conference is not mandatory, but all Offerors are encouraged to attend in order to facilitate better preparation of their proposal. If you plan to send representatives to the pre-proposal conference, please notify Gerald Congleton (See **Section 1.8 Point of Contract**) by **August 28, 2001**.

**2.4 Response to Each Requirement Must be Submitted:** Elaborate proposals (e.g. expensive artwork) beyond that sufficient to present a complete proposal are not necessary or desired. Offeror must respond to each requirement of the RFP. A written statement in the transmittal letter or separate letter stating the Offeror has read the OSP published RFP, understands all sections and paragraphs in the RFP and will comply with all sections of the RFP or authorized amendments to the RFP.

**2.5 Incurred Costs:** The State is not liable for any cost incurred by Offerors in replying to this RFP.

**2.6 Pricing and Charges:** All prices, costs, fees, and conditions stated in the proposal shall remain firm and valid for acceptance for 120-calendar days after the due date for proposals. Offeror shall provide a summary of all proposed fees and revenue sharing proposals. Summarize all costs the Offeror wishes to include in the contract. Any proposal accepted by the State for the purpose of contract negotiations shall remain valid until superseded by a contract or until rejected by the State.

It is the State's goal to reach a volume of cards in use, volume of sales, and sufficient transactions such that any monthly fees for the State would be waived. The State request that the Offeror include its pricing in the form of a monthly percentage fee (if any), transaction fees (if any), reporting fees (if any) and any other fees, including audit fees (along with the methodology for assessment), that may be assessed the State. The Offeror should also discuss any revenue-sharing proposals that would benefit the State. (See attachments H, I and J).

**2.7 Time and Place for Submission of Proposal:** Proposal must be received no later than), **October 16, 2001 at 2:30 p.m.** one (1) original marked ("Original"), and one electronic copy (Microsoft Word 6.0, or any word processing program that Microsoft Office 2000 can read) and seven (7) paper copies. The public opening will be on Technical/Business (T/B) proposals only. All Financial information related to the Technical/Business part of the proposal should be noted in the (T/B) sections but submitted in separate sealed submission at the same time as the proposal. Any additional confidential information and/or proprietary and copyrighted Information must be in separate sealed submission at the same time as the proposal. The address is stated below and in **Section 1.8 Point of Contact**. An electronic version of this document can be found at the following URL on the

World Wide Web. Go to <http://www.state.ar.us/dfa/purchasing/purchasingcard>. To receive a copy of the RFP by Email contact Buyer at [gerald.congleton@dfa.state.ar.us](mailto:gerald.congleton@dfa.state.ar.us).

Mail To:

or

Deliver To:

Office of State Procurement  
P.O. Box 2940  
Little Rock, AR 72203-2940

Office of State Procurement  
1509 West 7<sup>th</sup> Street, 3<sup>rd</sup> Floor  
Little Rock, AR 72201-3966

**2.8 Package (Bid Documents) Label:** The label on the bid package should be clearly marked so proper identification of the package can be determined. If the bid is not clearly marked, the bid might not be considered or read. The label should have the Bid Number, Date and Time of the Bid opening. The package must be labeled "Purchasing Card Services." Cost information from the Offeror must be included in the submission, **BUT sealed separately. Confidential and/or proprietary, copyrighted or patent Information must be in a separate sealed submission with the proposal.** (See Attachment B)

**2.9 Late Proposals:** Proposals received and time date stamped after the date and hour established are automatically disqualified. Late proposals will not be opened and Offerors will be notified, if possible. If there is no return address on the envelope, it will be opened for identification and notification of disqualification, only.

**2.10 Unsigned Proposals:** It is recommended the Offeror sign Page 5 for this RFP. Signature must be original (not stamped or photocopied) and in ink. A signed Transmittal Letter may be substituted. However, the Offeror should note agreement to contract clauses and signed with original signature in ink, (See **Section 3.0.1 Transmittal Letter**). Failure to comply with this requirement may result in disqualification of proposal.

**2.11 Withdrawing/Modifying Proposals:** A proposal may be withdrawn, modified, or corrected by an Offeror after it has been submitted, provided a written request to withdraw or the specific modification or correction of the proposal is filed with Office of State Procurement prior to the date and time set for opening. Facsimiles addressed to 501.324.9361 (a secured location), or letters received before the date set for opening of proposals will be accepted and attached to the unopened proposal, and the proposal will be considered withdrawn, modified, or otherwise changed accordingly. No proposal may be withdrawn, modified, corrected, or otherwise changed after the date and time set for opening.

**2.12 Amendment to the RFP:** The only modification to this RFP shall be by addenda published by the Office of State Procurement. If this RFP is amended by the State, the amendment will be sent to each potential Offeror by mail, fax, or e-mail. Addenda, if any must be signed, dated and included with proposal submission. Failure to do so may be cause for rejection of the proposal.

**2.13 Change Orders:** Changes to any contract, which results from this RFP, will be authorized by an Attachment signed by the Parties. The Attachment will describe the changes in the Contract and will become a part of the contract. Participating entities shall be added to the Purchasing Card Service Program by written request or attachment to the contract and approval by the Office of State Procurement. The notice, at a minimum, will provide the contractor with the participating entity's name, and address and shall identify the authorized participating entity's representative and such individual's telephone number. Shall the need arise; the Office of State Procurement and the Contractor, upon mutual agreement, may vary the enrollment procedures for eligible entities.

**2.14 Change in Work:** In the event the state requires a major change in scope, character or complexity of the work after the work has progressed, adjustments in compensation to the Contractor shall be determined by the State in the exercise of its reasonable judgment in this situation. The Contractor shall not commence any additional work or change the scope of the work until authorized

in writing by the State. No claim for additional compensation shall be made in the absence of prior written approval executed by all signatories hereto.

**2.15 Assignment:** The Office of State Procurement requests that no contract resulting from this RFP be assigned, sold, or transferred to any party by the Contractor without prior written consent from OSP. If the Contractor elects to assign, sell, or transfer this Contract to any party, the State (Office of State Procurement) at its discretion may terminate the Contract for Convenience **Section 1.18.2 Termination for Convenience by the State.**

**2.16 Advertisement, Mail Lists and Promotional Material:** The Contractor shall not use any contract award or contract award information for any purpose not related to the performance of this contract. Contractor shall not sell, publish, or otherwise distribute mailing lists, or other information about employees who have been issued cards. The mailing of materials to cardholders will generally be restricted to material pertaining to the purchasing card program. All other materials must be approved by the State prior to any such mailing.

**2.17 Multiple Proposals:** Multiple proposals from Offerors are permissible, however, each individual proposal must independently conform fully to the requirements for proposal submission.

**2.18 Oral Presentations and Site Visits:** During the evaluation period if requested by the State, Offerors may be required to make oral presentations to representatives of the State in order to clarify the Offerors' Proposals. Representations made during the oral presentation must be confirmed in writing and will become part of the Offeror's Proposal and binding if a contract is awarded. Offeror may be required to arrange to a visit at a current client site (If acceptable by client) to supplement their proposal. The state will make every reasonable attempt to schedule each presentation at a time and location that is agreeable to the Offeror. Failure of an Offeror to conduct a presentation on the date scheduled may result in rejection of the Offeror's proposal.

**2.19 Insurance Provision Certificates:** The Offeror shall have in force and effect a Banker's Blanket Bond or Financial Institute Bond, including coverage for computer crime as well as errors and omissions as required by Federal and State Regulator Authorities. A copy of the Banker's Blanket Bond or Financial Institution Bond (Certificate of Insurance) must be provided with Offeror's response

Provide background on any certifications that Offeror maintains, such as the required National Automated Clearing House Association, and the timeline for rectification in the event that Offeror is not certified.

**2.20 Current Clients with Purchasing Card:** Offeror must submit with this RFP a list of five current clients where purchasing card services similar to those being proposed are implemented and operating, and include for each, a point of contact, name, title, address, and telephone, fax numbers and e-mail address. Selected current clients may be contacted by the State to determine the adequacy of the system, quality of work performed, and personnel assigned to the project, and other factors related to Offeror's ability to perform the contract. The results of any reference contacts will be used in determining the successful Offeror. The more similar the referenced products and services the greater the weight to be attached to the evaluation process. Any state government for whom the Offeror has provided these products and services should be included. References must include purchasing card clients with annual volume at least at the level of the State's anticipated volume; state and university clients, regardless of dollar volume (if none, include any other local government entity); and any former clients lost within the last 24 months prior to issuance of this Request for Proposal. The list may be marked "Confidential" and submitted in a separate sealed envelope.

**2.21 Offeror's Qualifications:** Offeror shall meet the following minimum qualifications:

**2.21.1** Offeror shall have at least five full consecutive years experience as a purchasing card supplier.

**2.21.2** Offeror shall offer a widely - recognized major credit card product such as MasterCard, Visa, or American Express.

**2.21.3** Offeror's product is designed and marketed as a procurement tool.

**2.21.4** Offeror shall have existing systems in place to recruit new merchants to accept the card and to train both merchants and users in the card product.

**2.22 Assigned Personnel - Resume:** One key to a successful program is the personnel assigned to the program. Offeror must include in the Proposal resumes or minimum job qualifications of proposed account manager, designated customer service representative(s), and any other key personnel to be assigned to this account, including those of subcontractors and affiliates or subsidiaries, if any. This information may be marked "Confidential" and submitted in a separate sealed envelope. Because of the importance of personnel in this contract, all parties to the contract will notify the other parties participating in the contract of any changes in personnel assignments. All proposals or contract must include an "equal or better provision" for replacement of personnel assigned to the State's account.

Nothing in the above section should be construed to prevent the Contractor from using the services of others to perform tasks ancillary to those tasks, which directly require the expertise of the key person(s). Examples of such ancillary tasks include secretarial, clerical, and common labor duties. The Contractor shall at all times, remain responsible for the performance of all necessary tasks, whether performed by a key person or other.

**2.23 Work Standards:** The Contractor and State's participating entity agree to execute its respective responsibilities by following and applying at all times the highest professional and technical guidelines and standards. If the State becomes dissatisfied with the work product or the working relationship with those individuals assigned by the Contractor to work on this Contract, OSP may request in writing the replacement of any or all such individuals.

**2.24 Confidentiality:** Offerors, the Contractor and the State agree that they and each of their agents, employees, subcontractors, and other parties accumulating information about price, quantity, products and services pursuant to any contract resulting from this RFP shall hold such information in confidence, except to the extent such information must be disclosed to a third party to comply with laws or government regulations, including Arkansas Freedom of Information Act, Ark Code Ann § 25-19-101 et seq.

Any Offeror shall mark or designate as "Confidential" any proprietary, copyrighted, patent, financial or other material which the Offeror considers confidential and shall submit the same under separate cover (separate from the rest of the RFP). All confidential material may be in the same cover marked "Confidential". After opening of the Technical and Business Proposals and upon the completion of contract negotiations all submittals by Offeror will be available or subject to review by outside parties to the extent permitted by applicable law, including the Arkansas Freedom of Information Act, Ark Code Ann, § 25-19-101 et seq.

**2.25 Contract Components:** Any and all portions of this published RFP and normally any and all portions of the Offeror's response will be incorporated by reference as part of the final contract. Also, any agreement(s) in the contract negotiation will become part of the contract. Proprietary or confidential material submitted properly will be disclosed in accordance with **Section 2.24 Confidentiality**.

**2.26 Contract Negotiations:** After recommendation of a selected Offeror by appropriate officials of the State, contract negotiations will commence. The contract will be based on the required clauses in the RFP, clauses by the Offeror that are acceptable to the State; and additionally, on any clauses agreed upon by all parties be to incorporated into the contract. If at any time contract negotiations are judged to be ineffective by the State Procurement Director or designee, will cease all activities with the Offeror and begin contract negotiations with the next highest ranked Offeror. This



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process may continue until both the Offeror and the State of Arkansas (Office of State Procurement) execute a completed contract or OSP determines that no acceptable alternative proposal exists.

**2.27 Renegotiation:** The Contract may be renegotiated upon agreement by the Contractor and the Office of State Procurement. One party may petition the other to open negotiation. All negotiation findings or results shall be noted in the Contract.

### SECTION THREE TECHNICAL PROPOSAL

The Technical Proposal shall be divided into the sections as stated below. Information presented in response to these sections should be addressed using the same outline numbers with the question stated first followed by the Offeror's response. Supporting documentation may be referenced to a page and paragraph number. The body of the technical proposal should contain a meaningful summary of any referenced material. Referenced documents must be included as an appendix to the technical proposal with referenced sections clearly marked. Multiple references and documents must be listed and organized for ease of use by the State.

#### 3.0 Technical Proposal

**3.0.1 Transmittal Letter:** A transmittal letter must accompany each proposal. The transmittal letter must address the following:

- Identify the submitting Offeror (Organization / Company);
- Identify the name and title of the person authorized by the Offeror to contractually obligate the organization;
- Identify the name, title and phone and fax numbers and e-mail address of the person authorized to negotiate the contract on behalf of the Offeror;
- Explicitly indicate acceptance of, or proposed modifications to, the terms and conditions governing the procurement;
- Acknowledge receipt of any and all amendments to this RFP; and;
- Be signed by an officer of the company with authority to contractually obligate the organization;
- Summary of ability and desire to supply products and services;
- Summary of Milestone – Describe any milestones proposed in the submittals;
- Summary of charges – and revenue sharing;
- Other information the Offeror may wish to briefly summarize;

#### 3.1 Program Implementation:

**3.1.1 Pilot Program:** Offeror must describe proposed plans for initial training, orientation, and account maintenance/enhancement (card issuance, limits and restrictions, etc.) for the State entity involved in the pilot program including a timeline with, as the start-up date. The Contractor must provide initial setup of the system and issue new cards to each participating entity in the program within 120 calendar days of notice of Award/Contract, at no additional expense to the State. Offeror must explain starting date and ending date for the pilot program and any cost associated with operating the pilot program. Reasonable office space and assistance will be provided by the State as required to accomplish this setup.

Participants invited to take part in the Purchasing Card Services Program Pilot Program Arkansas State Building Service, Arkansas Parks and Tourism, Arkansas Highway and Transportation, Arkansas Game and Fish Commission, Arkansas Department of Correction, University of Arkansas of Fayetteville, Arkansas State University, University of Central Arkansas, Arkansas Secretary of State Office, and Arkansas Department of Human Services. Each of these participants will select sections or units to participate.

**3.1.2 Statewide Program:** Offeror must provide plans for bringing remaining participating entities into the program, including, but not limited to account set up and training, including timelines. The Office of State Procurement shall add participating entities to the Purchasing Card Service Program by written request and upon approval. The Contractor must provide the setup of the system and issue new cards to each participating entity in the program within 90 calendar days of notice of Award/Contract Modification, at no additional expense to the State. Reasonable office space and assistance will be provided by the State as required to accomplish this setup.

Potential participants participating in the Arkansas Purchasing Card Services Program include The Arkansas Department of Finance and Administration, Arkansas State Police, Arkansas Workforce (Education), Arkansas Educational Television Network, Cities of Little Rock, Hot Springs, and Fayetteville, Pulaski County government, Little Rock School District and the Pulaski County School District. See attachments C, D and E for a list of potential participants.

### 3.2 Company Information:

**3.2.1 Offeror's Company Structure:** Offeror must include in the proposal the legal form of their business organization, the state in which incorporated (if a corporation), the types of business ventures in which the organization is involved, and a chart of the organization structure. If the organization includes more than one product division, the division responsible for the development and marketing of the proposed products and services must be described in detail.

**3.2.2 Company Financial Information:** This section should include the Offeror's income statement and a balance sheet for each of the two most recently completed fiscal years. These documents should be signed or attested to by a Certified Public Accountant. If the organization includes more than one product division, separate financial statements should be provided for the division responsible for the development and marketing of the requested products and services.

**3.2.3 Facilities and Resources:** The Offeror should include information regarding any of the organization's resources deemed advantageous to the successful provision of the proposed products and services, such as management capabilities and experience, technical resources, and operational resources not directly assigned to this project, but available if needed.

### 3.3 Program Information:

**\* Four options are to be proposed with corresponding pricing; (1) Bank Card Software for each participant; (2) Bank Card Software receiving information located centrally with multiple interfaces to participants; (3) Electronic transfer of transactions to a Business to Business Based System (e.g. SAP R/3); (4) Paper based – Statements sent to each participant on a monthly basis. Each proposed option is to include the following:**

**3.3.1 Account Setup:** Offeror must provide a detailed description of account set up, security, card controls and parameters, and billing and reporting procedures. Include sample reports, bills, and cardholder information materials and describe how the set up and procedures will be adapted to the requirements of the individual participating entity.

**3.3.2 Process/Timeline:** Offeror must describe the process and timeline for implementing a statewide card program, including tasks and responsible parties, and provide any other information necessary to understand the implementation of the proposed system.

**3.3.3 Archiving & Retrieval:** Offeror must describe the proposed data archiving and retrieval capabilities.

**3.3.4 Reporting Capabilities:** Offeror must provide a detailed description of reporting capabilities including what parameters or variables that may be used. The information shall be available in hardcopy and/or electronic format. (a) discuss the availability of report in various media, (b) cite frequency of report and flexibility to increase or decrease frequency, (c) identify levels for which report can be provided (i.e., by cardholder, by entity by units within

entity, etc. (d) provide purchasing trends, (e) identify payment problems (provide statistics on late payments) (f) provide samples of report(s). Sample reports may include:

- (1) activity by cardholder, division, agency, vendor, date, amount, and type of purchase
- (2) weekly, monthly, quarterly, annual, and ad hoc reports
- (3) statewide reports of cardholders, purchasing volume, etc.
- (4) capture of 1099 information from vendors doing business with the State.
- (5) disadvantaged business enterprise reports

The Office of State Procurement requires sufficient reports to manage the overall purchasing card program and evaluate the State's progress toward program goals. Participating entities will require sufficient reports to manage their own programs. Discuss consolidating reports readily available by each option to OSP.

**3.3.5 Describe Purchasing Process:** **Point of sale** - Offeror must describe point of sales (POS) data capture capabilities and information available from POS terminals. Include current and future plans. What type and how much information from the State and participating entity can be input at POS. and received from POS. This data shall be a minimum of (Level 1 Data - Transaction data, posting data, name of merchant, city and state of merchant, total amount of transaction, reference number, and merchant category code) and (Level 2 data – all Level 1 data, sales/use tax and, 16-digit customer code (or the appropriate code number)). The charges appear on the participating entity billing, specifically identifying subcontractors/parties involved.

NOTE: The State requires pricing for a minimum of Level 2 on the Offeror's pricing information. Because the State anticipates using Level 3 information in the future, the State would like pricing for Level 3.

**3.3.6 Financial System Intergradations:** Offeror must describe by option its intergradations approach with the State of Arkansas AASIS (SAP R/3) system and similar systems throughout the state (e.g. BASIS for University of Arkansas) where applicable, including associated proposed pricing.

**3.3.7 Method of Transactional Transmission** Offeror must describe the method(s) of transactional transmission (include format) from the Offeror to the appropriate system (Bank Card Software, SAP) and frequency for each option listed in **Section 3.3 Program Information**.

**3.3.8 Reconciling Activity:** Offeror must provide a detailed description for each option of the processes for reconciling individual purchasing card activity with State accounts. Not all state entities are using the same system. Offeror must provide a system to match any participating entity system. It is desired that the Offeror be able to cross-reference Standard Industrial Code (SIC) and/or Merchant Classification Code (MCC) and /or Unified Product Codes (UPC) with the State of Arkansas Code or any participating entity codes. An example of State Government Code is the Arkansas Material Master /Group (See attachment K). Although the Material Group used by state government in Arkansas is an Arkansas Program, it is based on a five-digit code from the National Institute of Governmental Purchasing (NIGP) commodity/service code system. It is expected, in the next development phase of the AASIS program, that the State Government program will be an automated process with point of sales information accumulated with the appropriate accounting.

## **3.4 General Requirements**

**3.4.1 Overview of the Present State Government Purchasing Methods:** State of Arkansas' purchasing program is authorized by Arkansas Procurement Law, Ark. Code Ann. § 19-11-201 et seq. and Regulations, Arkansas Ethics in Public Contracting Laws, Ark. Code

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Ann. §19-11-701 et seq., Procurement of Professional Services, Ark Code Ann. § 19-11-801 et seq.,

A brief explanation of the state government's purchasing program follows:

"Small Purchases" § 19-11-231 (§19-11-204(10)) - any purchase not exceeding \$5,000 may be procured without competition. Most agencies in state government may issue a Purchase Order for these purchases. The purchasing card program is intended to augment or replace the State's current method of making small dollar purchases. (Authorized Employees may use the Purchasing Card as authorized by the Purchasing Card Program Administrator, or Purchasing Managers.

"Competitive Bidding" § 19-11-234 - any purchases not exceeding \$25,000 and more than \$5,000 may be procured by obtaining three competitive bids (oral or written) from three firms selling the commodity. The agency or the State Procurement Office will issue a Purchase Order for the purchase. The Purchasing Card Program may augment the State's current method of paying for this type of purchase (The Purchasing Official may use the Purchasing Card as a Department Purchasing Card as authorized by the Purchasing Card Program Administrator, Department Finance Officer, or Purchasing Managers)

"Competitive Sealed Bidding" § 19-11-229 and Competitive Sealed Proposals § 19-11-23 - any purchasing contract exceeding an estimated purchase price of \$25,000 may be procured by the contracting agency after receiving competitive sealed bids. These bidding processes require issuance of an invitation for bids with a purchasing description and all contractual terms and conditions etc. and advertisement for the bid. The purchase card program may augment the State's current method of paying for this type of contracting. (Department or State Card as authorized by the Purchasing Card Program Administrator, Department Finance Officer or Purchasing Manager). (Contracting provisions and policies must allow for this method to be used).

The Purchasing Card Administrator shall address other purchasing and payment methods at the time of purchase.

NOTE: Purchase requirements cannot be artificially divided so as to allow a small dollar purchase when competition would ordinarily be required. The state will be required to monitor these activities.

**3.4.2 Participating Entity's Liability:** Under any contract resulting from this RFP, OSP and the State of Arkansas will not accept any liability or financial responsibility for situations where the contractor incorrectly approved a State employee's purchasing card charges. These include, but are not limited to, situations where the contractor allowed the employee: (a) To exceed the charge limits specified to the Contractor by the employee's agency, or (b) To violate any restrictions specified to the Contractor by the employee's agencies, or (c) Where the card(s) were lost or stolen, as long as the card(s) were reported to the contractor in a timely manner, (d) Purchases that are prohibited by state or local laws, rules, regulations, procedures, (e) Any charge that was incurred by someone other than an employee of a participating entity and who did not have actual, implied, or apparent authority to use the purchasing card (Point of Sale).

The Contractor shall offer insurance or some other form of indemnity to the State against fraudulent use of the purchasing card. The minimum amount to be considered is \$15,000 per cardholder.

The participating entity shall be liable for the use of credit cards by authorized users provided that:

- (1) use is within the monthly and single purchase limits established for the specific account
- (2) use is effected by an authorized participating entity's employee
- (3) allowed commodities and services are purchased

**3.4.3 Prevention of Unauthorized Use:** Provide a plan for preventing unauthorized use of the card for the purchase of goods and services that the state may want to restrict. Offeror shall provide full description of the State's liability for unauthorized use of cards or accounts.

**3.4.4 Billing Options:** Offerors shall provide a concise description of the various billing options available to any participating entity such as paper, diskettes, tape, direct EDI, and the associated cost. The State desires that the billing of participating entities be staggered throughout the month so reconciliation and payment workload will be distributed throughout the month. Requirement for payment in less than 14 days is not acceptable. Some of the information on invoicing for each participating entity is a detailed statement to cardholder at the address specified by the entity, a detailed statement to the entity manager at an address specified by the entity and the State, and a detailed summary statement to the State. Contractor will provide billing statements as designated by the participating entity. Due to legal restrictions on combining payments across fiscal years, the State may request separate old year and new-year payments on invoices at end of each fiscal year. The State's fiscal year runs from July 1 to June 30, but other entities utilizing this contract (such as municipalities) may have different fiscal year periods.

**Note:** The Contractor will bill the participating agencies at a minimum on a monthly basis. The Contractor may, with the agencies concurrence, bill more frequently. Each participating entity may set their billing cycle(s). The contractor must prepare at least three hard copies of any statements(s) and provide them to whomever the agency purchasing card administrator identifies. The entity will coordinate with the Contractor to determine if any additional copies of these statements are needed.

**3.4.5 Disputed Billings:** Offeror shall provide a detailed statement of its method for resolution of disputed billing, including any fees, and describing how it will: (1) handle questioned charges or credits appearing on the invoice within a designated time period; (2) credit the State or participating entity account, pending the resolution of the questioned or disputed item; (3) process charge backs for an item resolved in the State's favor; and (4) replace lost credits slips. The State may pay transaction fees and late fees/interest when the disputed charge is determined to have been made by an authorized cardholder and is an authorized purchase.

**3.4.6 Savings:** Explain how Offerors shall quantify the savings that the State can expect to receive by using the purchasing card. Discuss how Offeror will measure and report savings over the term of the Contract. Outline any rebates to the State and the terms thereof (purchasing volume, prompt payment, etc.). (Also see attachment J)

**3.4.7 Other Information:** Offerors may provide any other information deemed pertinent by the Offeror, including any terms and conditions or alternate proposals the Offeror wishes the State to consider.

**3.5 Financial:** Specify any rebates to the State and the terms thereof (purchasing volume, prompt payment, etc.).

**3.5.1 Available Credit:** Explain how Offeror establishes line of credit. Specify the maximum amount of credit available to the State of Arkansas or any participating entity per billing cycle and total outstanding balance.

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**3.5.2 Fees:** Neither the State nor any participating entity shall be charged any costs for the purpose of establishing an account regardless of the purchasing activity on that account. For all other fees the Offeror shall provide a schedule and/or summary of all proposed fees and revenue sharing proposals. Summarize all costs the Offeror wishes to include in the contract (See **Section 2.6 Pricing and Charges**). Also explain late payment charges/interest rates, replacement card charges, duplicate receipt, charges and other prospective fee or cost. Pursuant to Ark Code Ann. § 19-11-244, the State may incur interest on late payment charges only if those charges begin to accrue no earlier than sixty (60) days following the date that payment is due. All fees and charges must be paid in arrears. (See attachments H and I).

**3.5.3 Discounts:** Offeror shall indicate discount structure for volume purchases, early payment or other similar discounts.

**3.5.4 Accept Payment:** The Contractor must accept payment from any State Agency, Treasurer's Office or participating entities. Payments may be made either electronically or by warrant/check. Contractor shall make payment arrangements with each participating entity. Payment may be made directly to the successful Contractor or to any bank account established by the Contractor to receive payment from the participating entity.

**3.5.5 Payment Incentives:** The state is interested in incentives offered for 15-day payment versus 30-day payment plans. Offerors describe in detail discount, adjustment, etc. (See attachment J).

**3.5.6 Overview of the Present State Government Payment Methods:** In general, the State pays all valid charges for authorized purchases within thirty (30) days of the billing date. Conditions precedent to the billing are (1) shipment, receipt and acceptance of the material, equipment, supplies, and services by the participant or (2) receipt of a correct invoice for such payment, whichever is latest. When payment is made by mail, the date of postmark shall be deemed to be the date of payment. The typical payment cycle for small dollar purchase requirements for a state agency begins with completion of a purchase requisition by the authorized state agency employee. After approval of the purchase requisition, a purchase order is completed by the agency purchasing office and money is encumbered through the accounting system. After receipt of goods or performance of services and receipt of vendor's invoice and matching receiving report, a voucher is prepared and approved by the originating agency. The approved claim and paper work is then forwarded to DFA for payment. The Treasurer's Office issues a warrant that is sent to the respective State agency for mailing to the vendor.

**3.6 Vendor relationships:** Offeror must provide a directory, listing, or similar information showing the acceptance range of the card, both geographically and by industry type. **Adding Merchants** - The successful Offeror must have an established program to recruit new merchants for inclusion in the purchasing card program when notified by the State that the merchant does not accept the purchasing card but desires to participate in the program. The successful Offeror must make a good faith effort to recruit and enlist Disadvantaged Business Enterprises (DBEs), and minorities, as defined by State and Federal regulations, into the purchasing card program. The successful Offeror must include a program description for recruiting new merchants including the set up cost to the merchant (i.e. hardware, data lines and other related costs).

The Arkansas Purchasing Card Program must be beneficial for all parties in the State (State Government and the Merchants). The Office of State Procurement (OSP) is committed to assuring that this program does not adversely affect its vendors. Offerors are requested to complete an information sheet on services, supplies, and equipment and cost required, or recommended for start-up for Merchants in the Arkansas Purchasing Card Program. OSP will accept standard information in this area. It is recommended that the Offeror submit the merchant information start-up form with the Proposal in a separate sealed envelope and marked "Merchants Purchasing Card Supplies and Fees – Confidential" (**See Section 2.24 Confidential**). The Office of State

Procurement will accept the information in any format used by Offerors, as long as; OSP can extrapolate the information for its evaluation. Only The State Procurement Director and select members of the evaluation team the Director designates will review the material. This information will remain confidential from other viewing at all times

To assist in evaluating this section Offerors must complete Attachment "Merchants Purchasing Card Services and Fee". (See attachment L).

**3.6.1 Payment to Merchants:** In general, describe the payment process and the expected payment turnaround time to merchants.

**3.7 Training:** The Contractor shall provide training during the pilot and full-scale implementations of the Purchasing Card Services Program for all participating entities at no additional cost. Training will be provided to purchasing card coordinators, cardholders, and other employees participating in the Purchasing Card Program. The Contractor shall develop and implement a State of Arkansas specific training program covering initial and follow-up training during both the pilot and the full-scale implementation phase. For this RFP the Offeror shall provide details and confirm that the training program to be provided will assist trainees in accomplishing the following goals:

- Understand overall nature of the procurement card service and its benefits.
- Assist participating entities in developing spending limitations and other program restrictions and controls.
- Understand the financial responsibilities and billing/payment procedures regarding purchase made with the card.
- Assist participating entities in developing instructions in the use and maintenance of transaction logs.
- Understand the potential limitation on the card use.
- Understand the individual cardholder's responsibilities with regard to purchases made with the card.
- Assist in developing an employee statement of responsibility.
- Be able to request and interpret periodic internal reports.
- Understand customer services available to the cardholder.
- Develop any training aid that explains the Purchasing Card Services Program.

The Contractor also must provide a detailed description of the types of training and communication materials it will provide which are intended to enhance training, communication, and implementation efforts for each option noted in **Section 3.3 Program Information** of this RFQ.

NOTE: It is not mandatory, but desirable, for the contractor to consider the use of state agencies/institutions for the development and use of state facilities for its training program. The State could assist in developing web page streamer, videoconference local facilities for training. Examples Arkansas Educational Television Network, University of Central Arkansas, University of Arkansas, Arkansas State University, etc.

**3.8 Marketing:** The Office of State Procurement requires Contractor to market its card program. Offeror shall outline a marketing plan, including samples, which address:

- Strategies to recruit potential participating entities and cardholders
- Procedural or implementation manual that would be used.

**3.9 State as Supplier:** Several State entities sell goods and services to other entities within the State and to the private sector. Offeror should show how these agencies might be enrolled, and trained using this program. Show fees and charges for this service and what equipment is required and charges for the equipment.

**3.10 Additional Services:** Detail any additional services that may be offered to the State but have not been specifically requested. Innovative ideas, new concepts and partnership arrangements other



than those requested in this RFP will be considered. For example, these might include unique business features, special services, discounts or terms and conditions specific to each Offeror. The specific cost or additional shared savings associated with each idea or concept shall be fully disclosed

**3.11 Upgrades/Advanced Technology:** The Contractor agrees to make future upgrades in its systems and processes to reflect advancements in technology, hardware, and software at no cost to the State's participating entity and no reduction in revenue sharing. All such upgrades must be announced in advance of any change and agreed to by the State.

**3.12 Data Communication:**

**3.12.1 PC Reporting Software:** Offerors shall describe any PC reporting software that will be made available to participating entities. The Contractor must be able to provide, as a minimum, the following types of PC-based software, capabilities and/or upgrades and describe cost associated:

- PC reporting software that can support customizing needs of participating entities.
- Software upgrades for participating vendors and/or suppliers.

A complete description of the equipment necessary to run software must be included and, if required, any cost for the equipment

**3.12.2 Contractor/Agency Interaction:** Offeror shall provide a plan for the integration of the proposed purchasing card program with all existing procurement and accounting systems including the data elements transmitted to and between systems. The State Government of Arkansas has made a considerable investment in SAP R/3 as an Enterprise Resources Planning (ERP) solution for the state. While not all state agencies will use the SAP R/3 general ledger, the procurement model will be used as a statewide procurement system. Consideration should be given to the State's need to report minority business, women owned business, small and disadvantaged business, and recycled content purchases. For the State of Arkansas the Contractor shall be able to electronically feed data into SAP's software R/3. The Contractor is required to coordinate with a central business to business based entity or individual participating entities to interface with their respective software. Please describe available options.

**3.12.3 Writing Interface:** The successful Offeror shall be responsible for writing an automated interface program to support the upload of procurement card transactions into the Arkansas Administrative Statewide Information System (AASIS) as standard invoice transactions. AASIS is a statewide project to implement SAP, Inc.'s R/3 human resources, financial, and materials management. State users of the AASIS software will process invoice transactions as a part of the State's standard payment cycle with disbursements made to vendor(s) identified on the invoice. The disbursement shall be in the form of a check, warrant or electronic transfer, depending upon how the vendor is set up in AASIS. Offeror shall describe experience with SAP R/3 interfaces and provide a list of implementations including contact person and telephone number using SAP.

AASIS provides a standard file layout that can be used to process any type of financial transaction. The Offeror will design, code and properly test the interface program as necessary to fulfill the requirement of the selected option (see **Section 3.3 Program Information**) to convert the procurement card system's purchase transaction history into the AASIS format. A sample of the AASIS format is included in Table A of this RFP. By option (see section 3.3) specify which interfaces will be maintained by Offeror.

**Alternative Interface:** Offerors may propose an alternative interface approach. Any proposed alternative approach must be explained in detail, particularly how procurement card information will be moved into AASIS.

# Fields

Description	Field Length
Record ID	4
Reference Number	16
Download Date (mm/dd/yyyy)	10
Approver	16
Vendor Name	35
Vendor address	35
Vendor City	35
Vendor State	2
Postal Code	10
Vendor SIC	4
Purchase Amount	16
Cardholder Number (Employee)	19
Purchase Date (mm/dd/yyyy)	10
Authorization Code	6
Statement Date (mm/dd/yyyy)	10
Contract Number	15
Sales Tax Amt	16
Material Number (Commodity Code)	5
Business Area	4
Cost Center	10
Disadvantaged Business Indicator	2
Company Code	4
Item Description	40
Merchant Category Code (MCC)	4

For participating entities not participating in the AASIS project, invoice transactions will be processed at the discretion of that Agency. Disbursements shall be in the form of a check, warrant or electronic transfer, depending upon how the vendor is set up in their respective databases.

## SECTION FOUR CARD REQUIREMENTS

- 4.1 Acceptance of Cards:** The issued cards shall have wide general public acceptance at locations similar to locations serviced by Visa MasterCard or American Express. Offeror shall provide a directory, listing or similar information showing the acceptance range of the card, both geographical and industry type such as an alphabetical Arkansas city listing of merchants that will accept the offered cards. Do not include Travel and Entertainment merchants which are defined as: hotels, motels, travel agents, ticket agents, restaurants, convenience stores, gasoline stations (the State uses Petroleum Services Credit Card for this services), theaters, airlines, passenger railroads, amusement parks and passenger car rentals. Do not include commercial printing services, ATM operations or any cash advance program. The list of inclusion may be increased or decreased during contract negotiation. The list may change during the contract period.
- 4.2 Issuance of Cards:** Offerors shall describe the cardholder application and card distribution process, including the time required to issue a card after a request is made. Cards will be issued in the name of the State or Agency or other participating entity as named on documents provided to the Contractor. Include samples of all required forms, which shall be provided by the Contractor.
- 4.3 Renewal of Cards:** Offerors shall explain the renewal process and length of renewal period.
- 4.4 Changes to Cardholder Account:** The participating entity may request changes to information on a cardholder's account. Such changes may include card expenditure limits, transaction limits, purchase restrictions, cardholder name, cardholder billing address or telephone number, and termination or non-renewal of a cardholder account. Specify process for accomplishing various requested changes and timeframe between receiving a request for change in a cardholder account and accomplishing the change.
- 4.5 Card Replacement:** The Contractor shall provide emergency replacement of a reported lost or stolen card within 48 hours after notification of the loss, and non-emergency replacement of such a card within 15 days. The Contractor shall specify the timeframe between receiving the report of a lost or stolen card and mailing a replacement card for emergency and non-emergency cases.
- 4.6 Cancellation of Cards:** The Contractor shall provide for immediate cancellation of cards. Cancellation of cards will be accomplished by individuals designated by the participating entity by either verbal or written communication to the Contractor. All verbal cancellations shall be verified in writing or electronic media pursuant to policy and procedures. The participating entity agrees to destroy and promptly notify or return to the Contractor any card when the designated cardholder is no longer authorized to use the card.
- 4.7 Customer Assistance:** Provide narrative describing customer services, including personnel assigned, hours available, methods of access to Offerors personnel and state agency account information, accounting information inquiry availability, account problem resolution, etc. Discuss problem resolution including lost or stolen cards, replacement cards, account credits, unauthorized charges, disputed charges, response time frame, etc. The Offeror shall describe customer support available to all participating entity staff, including, but not be limited to: (1) 24 hour toll-free telephone assistance number(s) for cardholder assistance, including to report lost or stolen cards (emergency service must include weekends and holidays); and (2) the phone numbers, names and titles of the customer account representatives(s) who would respond to cardholder or Agency inquiries concerning billing or services. Service response time should be within 30 minutes during the hours of 8:00 a.m. and 5:00 p.m. CST/CDST.

Provide Toll free fax number for cardholder application, written correspondence, etc., Monday through Friday, 8:00 a.m. to 5:00 p.m. CST/CDST. Provide the number and title(s) of the customer account representative(s) who would respond to cardholder or agency inquiries concerning billings or services

Monday through Friday, 8:00 a.m. to 5:00 p.m. Provide a description of the 'Help Desk' services and general response time for problems Monday through Friday, 8:00a.m. To 5:00 p.m. Include a plan to resolve problems or report an estimate of time required for solution within 24 hours.

**4.8 Controls/Restrictions:** Offerors must demonstrate sufficient cardholder controls to allow the State and other participating entities to effectively control the program. The Offeror must describe the controls and restrictions they have available such as:

- (a) Single transaction dollar limits for each cardholder
- (b) Number of purchasing card transactions per day
- (c) Number of purchasing card transactions per cycle
- (d) Monthly spending limit (cycle dollar limits)
- (e) Restrictions on the type of merchants with which the card may be used.

The participating entity is responsible for establishing internal procedures for the issuance, use, and security of the purchasing cards, determining which personnel will be issued the cards, and the final usage parameters within general guidelines and standards set by the State and Contractor. The participating entity shall be able to establish predetermined purchase and activity limits and controls including, but not limited to, purchase limits (daily and monthly), transaction limits (daily and monthly) and merchant restrictions. Offer shall fully describe all control features of their product.

The Contractor shall provide controls that will prevent the use of the card for purchasing commodities and services that the participating entity designates as restricted. These may include but are not limited to fuel, hotel rooms, and entertainment services. This list is intended to be representative and not all – inclusive. The selection of exclusions will be at the participating entity's discretion within general guidelines established by the State. Any credit refunds must be to the card account and not in cash

**4.9 Card Format and Design:** Contractor shall provide a card designed specifically for Arkansas. Design will be subject to approval by Contractor, the card provider, (such as Visa, MasterCard, or American Express) and the State. In addition to the name "Arkansas" minimum specifications shall include the following, with final card design negotiated with Contractor: Offerors are required to submit samples of available card artwork

- 4.9.1** The name of the entity, cardholder (employee) name and work unit and account number and logo on the face
- 4.9.2** Phrase FOR OFFICIAL USE ONLY printed on the face
- 4.9.3** Unique account number schemes for each cardholder or schemes, which will allow for a unique designation when issued in the name of an organization or work group
- 4.9.4** There shall be no reference to automatic Teller Machine (ATM's) included on the card
- 4.9.5** The Contractor's "help" number printed on the back

**4.10 Cardholder File:** The cardholder file must contain as a minimum the following information, with cardholder design negotiated with each entity:

- 4.10.1** Account name, address, number and expiration date
- 4.10.2** Alpha/numeric accounting code (16 characters min.)
- 4.10.3** Per transaction limit
- 4.10.4** Daily spending limit
- 4.10.5** Monthly spending limit
- 4.10.6** Maximum transactions per month
- 4.10.7** Approved merchant codes
- 4.10.8** Additional fields as requested by the each entity
- 4.10.9** Approving authority/official name/title

## SECTION FIVE EVALUATION AND AWARD

**5.1 Evaluation:** Evaluation and selection of a Contractor will be based on the information submitted in the proposals, the information obtained from contact with references and, any required oral presentations. The Committee will first review each proposal for compliance to the Request for Proposal. If the proposal conforms to the RFP requirements, then the following evaluation scale will be used in determining the best proposal for the State. The State reserves the right to request further information for clarification purposes after the proposals are submitted. The four categories of evaluation criteria are:

(1) Offeror Experience –	200 points
(2) Program Capabilities –	300 points
(3) Economic Considerations –	200 points
(4) Offeror Performance Stability/Capability –	300 points
TOTAL POSSIBLE POINTS:	1000 Points

**5.2 EVALUATION CRITERIA:** Evaluation criteria categories are described below with a brief explanation of the basis for evaluation in each category.

**5.2.1 Offeror Experience:** Proposals will be reviewed to determine the Offeror's experience, program specifications, overall management judgment, and in providing products and services similar to those being sought by the State. References may be contacted.

**5.2.2 Program Capabilities:** Proposals will be evaluated according to factors set forth herein including range of card acceptance, ability to tailor services to the needs of each participating entity, ease of use by participating entity, content and flexibility of reporting and billing mechanisms, ability to interface with existing software, and proposed payment process (es).

**5.2.3 Economic Considerations:** Financial aspects of the proposal will be evaluated to serve the best interest of the State and impact of the proposed program on participating merchant. Offeror to provide a description of the potential economic benefits of the contract to the economy of the State of Arkansas.

**5.2.4 Offeror Performance Stability/Capability:** Proposals will be evaluated on a combination of factors including, but not limited to.

- Long-term financial stability, responsibility, and capability of Offeror to fulfill required commitments set forth in this RFP through the term of any contract resulting from this RFP
- Cost and complexity of implementation of requested products and services
- Evidence of commitment from the Offeror to the success of the State's program
- Abilities of the Offeror and its staff

**5.3 Award:** Based on the results of this evaluation, the qualifying proposal determined to be the most advantageous to the State, may be selected by the State and the evaluation team for further action, such as contract negotiations. If, however, the Office of State Procurement and the evaluation team decide that no proposal is sufficiently advantageous to the State, the State may take whatever further action is deemed necessary to fulfill its needs. If, for any reason, a proposal is selected and it is not possible to reach a satisfactory contractual agreement with the Offeror, the State may begin contract negotiation with the next qualified Offeror.

## STANDARD TERMS AND CONDITIONS

1. **GENERAL:** Any special terms and conditions included in the invitation for bid override these standard terms and conditions. The standard terms and conditions and any special terms and conditions become part of any contract entered into if any or all parts of the bid are accepted by the State of Arkansas.
2. **ACCEPTANCE AND REJECTION:** The state reserves the right to accept or reject all or any part of a bid or any and all bids, to waive minor technicalities, and to award the bid to best serve the interest of the state.
3. **BID SUBMISSION:** Bids must be submitted to the Office of State Purchasing on this form, with attachments when appropriate, on or before the date and time specified for bid opening. If this form is not used, the bid may be rejected. The bid must be typed or printed in ink. The signature must be in ink. Unsigned bids will be disqualified. The person signing the bid should show title or authority to bind his firm in a contract. Each bid should be placed in a separate envelope completely and properly identified. Late bids will not be considered under any circumstances.
4. **PRICES:** Quote F.O.B. destination. Bid the unit price. In case of errors in extension, unit prices shall govern. Prices are firm and not subject to escalation unless otherwise specified in the bid invitation. Unless otherwise specified, the bid must be firm for acceptance for thirty days from the bid opening date. "Discount from list" bids are not acceptable unless requested in the bid invitation.
5. **QUANTITIES:** Quantities stated in **term contracts** are estimates only, and are not guaranteed. Bid unit price on the estimated quantity and unit of measure specified. The state may order more or less than the estimated quantity on term contracts. Quantities stated on **firm contracts** are actual requirements of the ordering agency.
6. **BRAND NAME REFERENCES:** Any catalog brand name or manufacturer's reference used in the bid invitation is descriptive only, not restrictive, and used to indicate the type and quality desired. Bids on brands of like nature and quality will be considered. If bidding on other than referenced specifications, the bid must show the manufacturer, brand or trade name, and other descriptions, and should include the manufacturer's illustrations and complete descriptions of the product offered. The state reserves the right to determine whether a substitute offered is equivalent to and meets the standards of the item specified, and the state may require the bidder to supply additional descriptive material. The bidder guarantees that the product offered will meet or exceed specifications identified in this bid invitation. If the bidder takes no exception to specifications or reference data in this bid he will be required to furnish the product according to brand names, numbers, etc., as specified in the invitation.
7. **GUARANTY:** All items bid shall be newly manufactured, in first-class condition, latest model and design, including, where applicable, containers suitable for shipment and storage, unless otherwise indicated in the bid invitation. The bidder hereby guarantees that everything furnished hereunder will be free from defects in design, workmanship and material, that if sold by drawing, sample or specification, it will conform thereto and will serve the function for which it was furnished. The bidder further guarantees that if the items furnished hereunder are to be installed by the bidder, such items will function properly when installed. The bidder also guarantees that all applicable laws have been complied with relating to construction, packaging, labeling and registration. The bidder's obligations under this paragraph shall survive for a period of one year from the date of delivery, unless otherwise specified herein.
8. **SAMPLES:** Samples or demonstrators, when requested, must be furnished free of expense to the state. Each sample should be marked with the bidder's name and address, bid number and item number. If samples are not destroyed during reasonable examination they will be returned at bidder's expense, if requested, within ten (10) days following the opening of bids. All

demonstrators will be returned after reasonable examination.

9. **TESTING PROCEDURES FOR SPECIFICATIONS COMPLIANCE:** Tests may be performed on samples or demonstrators submitted with the bid or on samples taken from the regular shipment. In the event products tested fail to meet or exceed all conditions and requirements of the specifications, the cost of the sample used and the reasonable cost of the testing shall be borne by the bidder.
10. **AMENDMENTS:** The bid cannot be altered or amended after the bid opening except as permitted by regulation.
11. **TAXES AND TRADE DISCOUNTS:** Do not include state or local sales taxes in the bid price. Trade discounts should be deducted from the unit price and the net price should be shown in the bid.
12. **AWARD: Term Contracts:** A contract award will be issued to the successful bidder. It results in a binding obligation without further action by either party. This award does not authorize shipment. Shipment is authorized by the receipt of a purchase order from the ordering agency.  
**Firm Contracts:** A written state purchase order authorizing shipment will be furnished to the successful bidder.
13. **LENGTH OF CONTRACT:** The invitation for bid will show the period of time the term contract will be in effect.
14. **DELIVERY ON FIRM CONTRACTS:** The invitation for bid will show the number of days to place a commodity in the ordering agency's designated location under normal conditions. If the bidder cannot meet the stated delivery, alternate delivery schedules may become a factor in an award. The Office of State Purchasing has the right to extend delivery if reasons appear valid. If the date is not acceptable, the agency may buy elsewhere and any additional cost will be borne by the vendor.
15. **DELIVERY REQUIREMENTS:** No substitutions or cancellations are permitted without written approval of the Office of State Purchasing. Delivery shall be made during agency work hours only 8:00 a.m. to 4:30 p.m., unless prior approval for other delivery has been obtained from the agency. Packing memoranda shall be enclosed with each shipment.
16. **STORAGE:** The ordering agency is responsible for storage if the contractor delivers within the time required and the agency cannot accept delivery.
17. **DEFAULT:** All commodities furnished will be subject to inspection and acceptance of the ordering agency after delivery. Back orders, default in promised delivery, or failure to meet specifications authorize the Office of State Purchasing to cancel this contract or any portion of it and reasonably purchase commodities elsewhere and charge full increase, if any, in cost and handling to the defaulting contractor. The contractor must give written notice to the Office of State Purchasing and ordering agency of the reason and the expected delivery date. Consistent failure to meet delivery without a valid reason may cause removal from the bidders list or suspension of eligibility for award.
18. **VARIATION IN QUANTITY:** The state assumes no liability for commodities produced, processed or shipped in excess of the amount specified on the agency's purchase order.
19. **INVOICING:** The contractor shall be paid upon the completion of all of the following: (1) submission of an original and the specified number of copies of a properly itemized invoice showing the bid and purchase order numbers, where itemized in the invitation for bid, (2) delivery and acceptance of the commodities and (3) proper and legal processing of the invoice by all necessary state agencies. Invoices must be sent to the "Invoice To" point shown on the purchase order.

20. **STATE PROPERTY:** Any specifications, drawings, technical information, dies, cuts, negatives, positives, data or any other commodity furnished to the contractor hereunder or in contemplation hereof or developed by the contractor for use hereunder shall remain property of the state, be kept confidential, be used only as expressly authorized and returned at the contractor's expense to the F.O.B. point properly identifying what is being returned.
21. **PATENTS OR COPYRIGHTS:** The contractor agrees to indemnify and hold the State harmless from all claims, damages and costs including attorneys' fees, arising from infringement of patents or copyrights.
22. **ASSIGNMENT:** Any contract entered into pursuant to this invitation for bid is not assignable nor the duties there under delegable by either party without the written consent of the other party of the contract.
23. **OTHER REMEDIES:** In addition to the remedies outlined herein, the contractor and the state have the right to pursue any other remedy permitted by law or in equity.
24. **LACK OF FUNDS:** The state may cancel this contract to the extent funds are no longer legally available for expenditures under this contract. Any delivered but unpaid for goods will be returned in normal condition to the contractor by the state. If the state is unable to return the commodities in normal condition and there are no funds legally available to pay for the goods, the contractor may file a claim with the Arkansas Claims Commission. If the contractor has provided services and there are no longer funds legally available to pay for the services, the contractor may file a claim.
25. **DISCRIMINATION:** In order to comply with the provision of Act 954 of 1977, relating to unfair employment practices, the bidder agrees that: (a) the bidder will not discriminate against any employee or applicant for employment because of race, sex, color, age, religion, handicap, or national origin; (b) in all solicitations or advertisements for employees, the bidder will state that all qualified applicants will receive consideration without regard to race, color, sex, age, religion, handicap, or national origin; (c) the bidder will furnish such relevant information and reports as requested by the Human Resources Commission for the purpose of determining compliance with the statute; (d) failure of the bidder to comply with the statute, the rules and regulations promulgated there under and this nondiscrimination clause shall be deemed a breach of contract and it may be cancelled, terminated or suspended in whole or in part; (e) the bidder will include the provisions of items (a) through (d) in every subcontract so that such provisions will be binding upon such subcontractor or vendor.
26. **CONTINGENT FEE:** The bidder guarantees that he has not retained a person to solicit or secure this contract upon an agreement or understanding for a commission, percentage, brokerage or contingent fee, except for retention of bona fide employees or bona fide established commercial selling agencies maintained by the bidder for the purpose of securing business.
27. **ANTITRUST ASSIGNMENT:** As part of the consideration for entering into any contract pursuant to this invitation for bid, the bidder named on the front of this invitation for bid, acting herein by the authorized individual or its duly authorized agent, hereby assigns, sells and transfers to the State of Arkansas all rights, title and interest in and to all causes of action it may have under the antitrust laws of the United States or this state for price fixing, which causes of action have accrued prior to the date of this assignment and which relate solely to the particular goods or services purchased or produced by this State pursuant to this contract.
28. **DISCLOSURE:** Failure to make any disclosure required by Governor's Executive Order 98-04, or any violation of any rule, regulation, or policy adopted pursuant to that order, shall be a material breach of the terms of this contract. Any contractor, whether an individual or entity, who fails to make the required disclosure or who violates any rule, regulation, or policy shall be subject to all legal remedies available to the agency.